

SB 1-1— Filed 01/30/2006, 10:26 BreauxPage 1, between the enacting clause and line 1, begin a new paragraph and insert:

**“SECTION 1. IC 6-1.1-18.5-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 21. (a) The ad valorem property tax levy limits imposed by this chapter do not apply to ad valorem property taxes imposed by a consolidated city to pay or fund any indebtedness assumed, defeased, paid, or refunded under IC 36-3-1-6.1 or IC 36-3-1-6.3.**

**(b) For purposes of this section:**

- (1) "current year" means the calendar year that immediately precedes the first calendar year in which property taxes are first due and payable based on a consolidation under IC 36-3-1-6.1 or IC 36-3-1-6.3;**
- (2) "ensuing year" means the calendar year that immediately succeeds the current year; and**
- (3) "maximum levy" means the maximum permissible ad valorem property tax levy under section 3 of this chapter.**

**(c) The maximum levy for a consolidated city is increased for property taxes first due and payable in the ensuing year and each subsequent calendar year by an amount equal to the lesser of:**

**(1) the difference between:**

**(A) the maximum levy for the current year for the consolidated city's fire special service district created under IC 36-3-1-6; and**

**(B) the amount levied for the current year for the fire special service district; or**

**(2) ten percent (10%) of the maximum levy for the consolidated city's fire special service district created under IC 36-3-1-6 for property taxes first due and payable in the ensuing year.**

**(d) The maximum levy for property taxes first due and payable in the ensuing year:**

**(1) is increased for a consolidated city by the amount equal to the property tax levy for taxes first due and payable in the current year for fire protection and related services by each:**

**(A) township;**

**(B) airport authority; or**

**(C) fire protection territory;**

**whose fire department is consolidated into the fire department of a consolidated city under IC 36-3-1-6.1; and**

**(2) is reduced for:**

**(A) a township;**

**(B) an airport authority; or**

**(C) a fire protection territory;**

**whose fire department is consolidated into the fire department of a consolidated city under IC 36-3-1-6.1 by the amount equal to the property tax levy for taxes first due and payable in the current year for fire protection and related services by the township, airport authority, or fire protection territory.**

**(e) The balance on January 1 of the ensuing year in the cumulative building and equipment fund for fire protection and related services of each:**

**(1) township;**

**(2) airport authority; or**

**(3) fire protection territory;**

**whose fire department is consolidated into the fire department of a consolidated city under IC 36-3-1-6.1**

**is transferred on that date to the consolidated city's cumulative building and equipment fund for fire protection and related services and may be used only for the purposes provided under IC 36-8-14.**

SECTION 2. IC 6-3.5-6-18.5, AS AMENDED BY P.L.234-2005, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 18.5. (a) This section applies to a county containing a consolidated city.

(b) Notwithstanding section 18(e) of this chapter, the distributive shares that each civil taxing unit in a county containing a consolidated city is entitled to receive during a month equals the following:

(1) For the calendar year beginning January 1, 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month multiplied by the following factor:

Center Township	.0251
Decatur Township	.00217
Franklin Township	.0023
Lawrence Township	.01177
Perry Township	.01130
Pike Township	.01865
Warren Township	.01359
Washington Township	.01346
Wayne Township	.01307
Lawrence-City	.00858
Beech Grove	.00845
Southport	.00025
Speedway	.00722
Indianapolis/Marion County	.86409

(2) Notwithstanding subdivision (1), for the calendar year beginning January 1, 1995, the distributive shares for each civil taxing unit in a county containing a consolidated city shall be not less than the following:

Center Township	\$1,898,145
Decatur Township	\$164,103
Franklin Township	\$173,934
Lawrence Township	\$890,086
Perry Township	\$854,544
Pike Township	\$1,410,375
Warren Township	\$1,027,721
Washington Township	\$1,017,890
Wayne Township	\$988,397
Lawrence-City	\$648,848
Beech Grove	\$639,017
Southport	\$18,906
Speedway	\$546,000

(3) For each year after 1995, calculate the total amount of revenues that are to be distributed as distributive shares during that month as follows:

STEP ONE: Determine the total amount of revenues that were distributed as distributive shares during that

month in calendar year 1995.

STEP TWO: Determine the total amount of revenue that the department has certified as distributive shares for that month under section 17 of this chapter for the calendar year.

STEP THREE: Subtract the STEP ONE result from the STEP TWO result.

STEP FOUR: If the STEP THREE result is less than or equal to zero (0), multiply the STEP TWO result by the ratio established under subdivision (1).

STEP FIVE: Determine the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for each civil taxing unit for the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for all civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

STEP SIX: If the STEP THREE result is greater than zero (0), the STEP ONE amount shall be distributed by multiplying the STEP ONE amount by the ratio established under subdivision (1).

STEP SEVEN: For each taxing unit determine the STEP FIVE ratio multiplied by the STEP TWO amount.

STEP EIGHT: For each civil taxing unit determine the difference between the STEP SEVEN amount minus the product of the STEP ONE amount multiplied by the ratio established under subdivision (1). The STEP THREE excess shall be distributed as provided in STEP NINE only to the civil taxing units that have a STEP EIGHT difference greater than or equal to zero (0).

STEP NINE: For the civil taxing units qualifying for a distribution under STEP EIGHT, each civil taxing unit's share equals the STEP THREE excess multiplied by the ratio of:

(A) the maximum permissible property tax levy under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for the qualifying civil taxing unit during the calendar year in which the month falls, plus, for a county, an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund; divided by

(B) the sum of the maximum permissible property tax levies under IC 6-1.1-18.5, IC 12-19-7, and IC 12-19-7.5 for all qualifying civil taxing units of the county during the calendar year in which the month falls, and an amount equal to the property taxes imposed by the county in 1999 for the county's welfare fund and welfare administration fund.

**(c) Except with respect to Center Township, for each year after 2006, sixty-six percent (66%) of the revenues to be distributed as distributive shares during each month to the townships listed in this section are to be distributed as additional distributive shares to Indianapolis/Marion County and the township distributive shares are reduced by sixty-six percent (66%).**

**(d) If Lawrence, Beech Grove, Southport, or Speedway consolidates its fire department into the consolidated fire department under IC 36-3-1-6.3, commencing with the calendar year following that consolidation and for each year thereafter, the monthly distributive share of county option income taxes distributed to Lawrence, Beech Grove, Southport, or Speedway, as applicable, shall be reduced by a percentage set forth in the ordinances adopted under IC 36-3-1-6.3, and those revenues shall instead be**

**distributed as additional distributive shares to Indianapolis/Marion County.**

SECTION 3. IC 8-22-3-11.6, AS ADDED BY P.L.227-2005, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 11.6. (a) This section applies only to an airport authority established for a county having a consolidated city.

(b) **If:**

(1) the legislative body of the consolidated city ~~and the governing body of the airport authority may adopt substantially similar ordinances providing that~~ **adopts an ordinance providing that:**

(A) the fire department of the airport authority is consolidated into the fire department of the consolidated city **created by IC 36-3-1-6.1;** and ~~that~~

(B) the fire department of the consolidated city shall provide fire protection services for the airport authority; ~~If ordinances are adopted under this section; and~~

(2) **the executive of the consolidated city approves the ordinance;**

the consolidation shall take effect on the date ~~agreed to by the legislative body of the consolidated city and the governing body of the airport authority in the ordinances:~~ **set forth in the ordinance.**

(c) The legislative body of the consolidated city ~~and the governing body of the airport authority may adopt substantially similar ordinances an ordinance under IC 36-3-1-5.1~~ providing that the law enforcement services of the airport authority are consolidated into the consolidated law enforcement department of the consolidated city **created by IC 36-3-1-5.1,** and that the law enforcement department of the consolidated city shall provide law enforcement services for the airport authority. ~~If ordinances are adopted under this section; the consolidation shall take effect on the date agreed to by the legislative body of the consolidated city and the governing body of the airport authority in the ordinances."~~

Page 22, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 4. IC 36-3-1-6.1, AS ADDED BY P.L.227-2005, SECTION 18, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6.1. (a) ~~This section applies only in a county containing a consolidated city. If the requirements of subsection (g) are satisfied; The legislative body of the consolidated city may adopt an ordinance, approved by the executive of the consolidated city, to consolidate the fire departments of the following are consolidated into the fire department of a consolidated city (referred to as "the consolidated fire department"):~~

(1) A township ~~for which the consolidation is approved by the township legislative body and trustee and the legislative body and mayor of the~~ **located in a county having a consolidated city.**

(2) Any fire protection territory established under IC 36-8-19 that is located in a ~~township described in subdivision (1):~~ **county having a consolidated city.**

(3) **The territory in which an airport authority established for a consolidated city under IC 8-22-3 may provide fire protection services.**

(b) **The legislative body of the consolidated city may not adopt an ordinance under this section, unless the legislative body first:**

(1) **holds a public hearing on the proposed consolidation; and**

(2) **determines that:**

(A) **reasonable and adequate fire protection can be provided through the consolidation; and**

(B) **the consolidation is in the public interest.**

~~(b)~~ (c) **If the requirements of subsection (g) (a) are satisfied, except as provided in section 6.3 of this chapter,**

the consolidated fire department shall provide fire protection services within ~~an entity described in subsection (a)(1) or (a)(2) in which the requirements of subsection (g) are satisfied~~ **the county beginning** on the date ~~agreed to in the resolution of the township legislative body and set forth in~~ the ordinance of the legislative body of the consolidated city.

~~(c)~~ **(d)** If the requirements of subsection (g) are satisfied and the fire department ~~departments~~ of an ~~entity~~ **the entities** listed in subsection (a) ~~is~~ **are** consolidated into the fire department of the consolidated city, all of the property, equipment, records, rights, and contracts of the ~~department departments~~ consolidated into the fire department of the consolidated city are:

- (1) transferred to; or
- (2) assumed by;

the consolidated city on the effective date of the consolidation. ~~However, real property other than real property used as a fire station may be transferred only on terms mutually agreed to by the legislative body and mayor of the consolidated city and the trustee and legislative body of the township in which that real property is located.~~ **Any funds transferred under this subsection to the consolidated city that represent balances in a cumulative building and equipment fund for fire protection and related services established under IC 36-8-14 shall be deposited to the consolidated city's cumulative building and equipment fund for fire protection and related services established under this section and shall be used by the consolidated city for the funding of land, buildings, and equipment for fire protection and emergency medical services as provided under IC 36-8-14.**

~~(d)~~ **(e)** If the requirements of subsection (g) are satisfied and the fire department ~~departments~~ of an ~~entity~~ **the entities** listed in subsection (a) ~~is~~ **are** consolidated into the fire department of the consolidated city, the employees of the fire department consolidated into the fire department of the consolidated city cease employment with the department of the entity listed in subsection (a) and become employees of the consolidated fire department on the effective date of the consolidation. The consolidated city shall assume all agreements with labor organizations that:

- (1) are in effect on the effective date of the consolidation; and
- (2) apply to employees of the department consolidated into the fire department of the consolidated city who become employees of the consolidated fire department.

~~(e)~~ **(f)** If the requirements of subsection (g) are satisfied and the fire department ~~departments~~ of an ~~entity~~ **the entities** listed in subsection (a) ~~is~~ **are** consolidated into the fire department of a consolidated city, the indebtedness related to fire protection services incurred before the effective date of the consolidation by:

- (1) the entity; or
- (2) a building, holding, or leasing corporation on behalf of the entity;

whose fire department is consolidated into the consolidated fire department under subsection (a) shall ~~remain the debt of the entity and does not become and may not be assumed, defeased, paid, or refunded~~ by the consolidated city. Indebtedness related to fire protection services that is incurred by the consolidated city before the effective date of the consolidation shall remain the debt of the consolidated city and property taxes levied to pay the debt may only be levied by the fire special service district.

**(g) Notwithstanding any other law and subject to subsection (h), to assume, defease, pay or refund all or a part of the indebtedness described in subsection (f), the consolidated city is not required to comply with any other statutory procedures or approvals that apply when a unit incurs indebtedness.**

**(h) Notwithstanding subsections (f) and (g), the consolidated city may not assume all or any part of the indebtedness described in subsection (f) that will exceed the limitations on the amount of indebtedness that**

the consolidated city may incur.

(i) The rights of the trustee and the bondholders with respect to any:

(1) bonds or other indebtedness described in subsection (f); or

(2) bond resolution, trust agreement or indenture, security agreement, purchase agreement, or other undertaking with respect to indebtedness described in subsection (f);

remain the same, although the powers, duties, agreements, and liabilities of the entities listed in subsection (a) have been transferred to the consolidated city, and the consolidated city shall be considered to have assumed all of those powers, duties, agreements and liabilities.

(f) (j) If the requirements of subsection (g) are satisfied and the fire department departments of an entity the entities listed in subsection (a) is are consolidated into the fire department of a consolidated city, the merit board and the merit system of the fire department departments that is are consolidated are dissolved on the effective date of the consolidation, and the duties of the merit boards are transferred to and assumed by the merit board for the consolidated fire department on the effective date of the consolidation.

(g) A township legislative body, after approval by the township trustee, may adopt a resolution approving the consolidation of the township's fire department with the fire department of the consolidated city. A township legislative body may adopt a resolution under this subsection only after the township legislative body has held a public hearing concerning the proposed consolidation. The township legislative body shall hold the hearing not earlier than thirty (30) days after the date the resolution is introduced. The hearing shall be conducted in accordance with IC 5-14-1.5 and notice of the hearing shall be published in accordance with IC 5-3-1. If the township legislative body has adopted a resolution under this subsection, the township legislative body shall, after approval from the township trustee, forward the resolution to the legislative body of the consolidated city. If such a resolution is forwarded to the legislative body of the consolidated city, the legislative body of the consolidated city may adopt an ordinance, approved by the mayor of the consolidated city, approving the consolidation of the fire department of the township into the fire department of the consolidated city and the requirements of this subsection are satisfied. The consolidation shall take effect on the date agreed to by the township legislative body in its resolution and by the legislative body of the consolidated city in its ordinance approving the consolidation.

(h) (k) The following apply if the requirements of subsection (g) are satisfied: fire departments of the entities listed in subsection (a) are consolidated into the fire department of a consolidated city:

(1) The consolidation of the fire department of that township is effective on the date agreed to by the township legislative body in the resolution and by the legislative body of the consolidated city in its ordinance approving the consolidation.

(2) (1) Notwithstanding any other provision, a firefighter:

(A) who is a member of the 1977 fund before the effective date of a consolidation under this section; and

(B) who, after the consolidation, becomes an employee of the fire department of a consolidated city under this section;

remains a member of the 1977 fund without being required to meet the requirements under IC 36-8-8-19 and IC 36-8-8-21. The firefighter shall receive credit for any service as a member of the 1977 fund before the consolidation to determine the firefighter's eligibility for benefits under IC 36-8-8.

(3) (2) Notwithstanding any other provision, a firefighter:

(A) who is a member of the 1937 fund before the effective date of a consolidation under this section; and

(B) who, after the consolidation, becomes an employee of the fire department of a consolidated city under this section;

remains a member of the 1937 fund. The firefighter shall receive credit for any service as a member of the 1937 fund before the consolidation to determine the firefighter's eligibility for benefits under IC 36-8-7.

~~(4)~~ **(3)** For property taxes first due and payable in the year in which the consolidation is effective, the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5:

(A) is increased for the consolidated city by an amount equal to the maximum permissible ad valorem property tax levy in the year preceding the year in which the consolidation is effective for fire protection and related services by the ~~township entity~~ whose fire department is consolidated into the fire department of the consolidated city under this section; and

(B) is reduced for the ~~township entity~~ whose fire department is consolidated into the fire department of the consolidated city under this section by the amount equal to the maximum permissible ad valorem property tax levy in the year preceding the year in which the consolidation is effective for fire protection and related services for the ~~township entity~~.

~~(5)~~ **(4)** The amount levied in the year preceding the year in which the consolidation is effective by the township whose fire department is consolidated into the fire department of the consolidated city for the township's cumulative building and equipment fund for fire protection and related services is transferred on the effective date of the consolidation to the consolidated city's cumulative building and equipment fund for fire protection and related services, which is hereby established. The consolidated city is exempted from the requirements of IC 36-8-14 and IC 6-1.1-41 regarding establishment of the cumulative building and equipment fund for fire protection and related services.

~~(6)~~ **(5)** The local boards for the 1937 firefighters' pension fund and the 1977 police officers' and firefighters' pension and disability fund of the ~~township entities listed in subsection (a)~~ are dissolved, and their services are terminated not later than the effective date of the consolidation. The duties performed by the local boards under IC 36-8-7 and IC 36-8-8, respectively, are assumed by the consolidated city's local board for the 1937 firefighters' pension fund and local board for the 1977 police officers' and firefighters' pension and disability fund, respectively. Notwithstanding any other provision, the legislative body of the consolidated city may adopt an ordinance to adjust the membership of the consolidated city's local board to reflect the consolidation.

~~(7)~~ **(6)** The consolidated city may levy property taxes within the ~~consolidated city's maximum permissible ad valorem property tax levy limit area served by the consolidated fire department~~ to provide for the payment of the expenses for the operation of the consolidated fire department. However, property taxes to fund the pension obligation under IC 36-8-7 for members of the 1937 firefighters fund who were employees of the consolidated city at the time of the consolidation may be levied only by the fire special service district within the fire special service district. The fire special service district established under IC 36-3-1-6 may levy property taxes to provide for the payment of expenses for the operation of the consolidated fire department within **or that directly benefit** the territory of the ~~police fire~~ special service district. ~~Property taxes to fund the pension obligation under IC 36-8-8 for members of the 1977 police officers' and firefighters pension and disability fund who were members of the fire department of the consolidated city on the effective date of the consolidation may be levied only by the fire special service district within the fire special service district. Property taxes to fund the pension obligation for members of the 1937 firefighters fund who were not members of the fire department of the consolidated city on the effective date of the consolidation and members~~

of the 1977 police officers' and firefighters pension and disability fund who were not members of the fire department of the consolidated city on the effective date of the consolidation may be levied by the consolidated city within the city's maximum permissible ad valorem property tax levy. However, these taxes may be levied only within the fire special service district and any townships that have consolidated fire departments under this section:

(8) The executive of the consolidated city shall provide for an independent evaluation and performance audit, due before March 1 of the year in which the consolidation is effective and for the following two (2) years, to determine:

- (A) the amount of any cost savings, operational efficiencies, or improved service levels; and
- (B) any tax shifts among taxpayers;

that result from the consolidation. The independent evaluation and performance audit must be provided to the legislative council in an electronic format under IC 5-14-6 and to the state budget committee:

(l) An advisory commission designated as the "City of \_\_\_\_\_ Consolidated Fire Department Advisory Commission" shall be formed not later than July 1, 2006, to:

(1) provide advice and make recommendations to the chief of the consolidated department regarding the operation of the consolidated fire department and the provision of emergency medical services, including:

- (A) the building and closing of fire stations;
- (B) the placement of apparatus;
- (C) the purchasing of equipment;
- (D) the integration of the merit systems;
- (E) staffing levels; and
- (F) other matters as requested by the chief of the consolidated fire department.

(2) review and comment on the annual capital budget for the consolidated fire department; and

(3) conduct public hearings on transition matters prior to the effective date of a consolidation.

(m) The advisory commission established under subsection (l) consists of the following members:

- (1) The executive of each township located in the county.
- (2) One (1) member appointed by the director of public safety for the \_\_\_\_\_ consolidated city.
- (3) One (1) member appointed by the legislative body of the consolidated city.
- (4) One (1) member appointed by the local labor union representing firefighters employed by the consolidated fire department.
- (5) The chief of the consolidated fire department, who shall serve as chairperson of the advisory commission.

(n) Members of the advisory commission appointed under subsection (m)(1) shall receive an annual salary for their services as members of the commission in an amount equal to ten percent (10%) of the annual salary of the executive of the consolidated city. Members of the advisory commission appointed under subsection (m)(2), (m)(3), (m)(4), or (m)(5) are not entitled to any additional salary for their service. The advisory commission may use the staff and budget of the consolidated fire department to carry on the commission's work.

(o) If a vacancy occurs on the advisory commission, the original appointing authority shall appoint an individual to serve on the commission for the unexpired term of the member.



**(p) Seven (7) members of the commission constitute a quorum.**

**(q) The advisory commission is abolished after December 31, 2008, unless the commission is extended by resolution of the legislative body of the consolidated city. If the legislative body of the consolidated city extends the term of the advisory commission, the resolution authorizing the extension must set forth the terms of the members of the advisory commission."**

SECTION 5. IC 36-3-1-6.2, AS ADDED BY P.L.227-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6.2. ~~(a) If a consolidated fire department is established under section 6.1 of this chapter, the consolidated city, through the consolidated fire department, shall after the consolidation establish, operate, and maintain emergency ambulance services (as defined in IC 16-18-2-107) in the fire special service district and in those townships in the county. that are consolidated under section 6.1 of this chapter.~~

~~(b) This section does not prohibit the providing of emergency ambulance services under an interlocal agreement under IC 36-1-7.~~

SECTION 6. IC 36-3-1-6.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6.3. **(a) The consolidated fire department may not provide fire protection services for:**

**(1) an excluded city; or**

**(2) a fire protection territory for which an excluded city is a provider unit (as defined in IC 36-8-19-3); unless the fire protection services are provided under an interlocal agreement under IC 36-1-7 or the conditions in subsection (b) are met.**

**(b) For the consolidated fire department to provide fire protection services to an excluded city other than under an interlocal agreement under IC 36-1-7, all the following must occur:**

**(1) The legislative body of the excluded city and the city-county legislative body must adopt substantially similar ordinances authorizing the consolidation of the fire department of the excluded city into the consolidated fire department.**

**(2) The ordinances described in subdivision (1) must:**

**(A) specify the effective date of the consolidation; and**

**(B) set forth the conditions of the consolidation.**

**(c) After the effective date of the consolidation described in subsection (b), the consolidated fire department shall provide fire protection services within the territory of the excluded city.**

**(d) After the effective date of the consolidation described in subsection (b), all the property, equipment, records, rights, and contracts of the fire department of the excluded city are transferred to and assumed by the consolidated city.**

**(e) After the effective date of the consolidation described in subsection (b), the employees of the fire department of the excluded city cease employment with the excluded city and become employees of the consolidated fire department. These employees are not hired or rehired for purposes of IC 36-8-3.2 or IC 36-8-10.5 upon becoming employees of the consolidated fire department. The consolidated city shall assume all agreements with labor organizations that:**

**(1) are in effect after the effective date of the consolidation described in subsection (b); and**

**(2) apply to employees of the fire department of the excluded city who become employees of the consolidated fire department.**

**(f) Except as provided in subsection (h), the consolidated city shall assume, defease, pay, or refund all indebtedness related to fire protection services incurred before the effective date of the consolidation described in subsection (b) by:**

**(1) an excluded city; or**

**(2) a building, holding, or leasing corporation on behalf of an excluded city;**

**whose fire department is consolidated into the consolidated fire department under subsection (b).**

**(g) Notwithstanding any other law, to assume, defease, pay, or refund all or a part of the indebtedness described in subsection (f), the consolidated city is not required to comply with any other statutory procedures or approvals that apply when a unit incurs indebtedness.**

**(h) Notwithstanding subsections (f) and (g), the consolidated city may not assume all or a part of the indebtedness described in subsection (f) that will exceed the limitations on the amount of indebtedness that the consolidated city may incur.**

**(i) The rights of the trustee and the bondholders with respect to any:**

**(1) indebtedness or bonds; or**

**(2) bond resolution, trust agreement or indenture, security agreement, purchase agreement, or other undertaking described in subsection (f);**

**remain the same, although the powers, duties, agreements, and liabilities of the departments listed in subsection (a) have been transferred to the consolidated city, and the consolidated city shall be considered to have assumed all those powers, duties, agreements, and liabilities.**

**(j) Whenever an excluded city consolidates its fire department into the consolidated fire department under subsection (b), the local boards for the 1937 firefighters' pension fund and the 1977 police officers' and firefighters' pension and disability fund of the excluded city are dissolved, and their services are terminated not later than the effective date of the consolidation. The duties performed by the local boards under IC 36-8-7 and IC 36-8-8, respectively, are assumed by the consolidated city's local board for the 1937 firefighters' pension fund and local board for the 1977 police officers' and firefighters' pension and disability fund, respectively.**

**(k) Whenever an excluded city consolidates its fire department into the consolidated fire department under subsection (b), the merit board and merit system of the excluded city's fire department are dissolved, and the duties of the excluded city's merit board are transferred to and assumed by the merit board for the consolidated fire department.**

**(l) Whenever an excluded city consolidates its fire department into the consolidated fire department under subsection (b), for property taxes first due and payable in the calendar year following the effective date of the consolidation, the maximum permissible ad valorem property tax levy under IC 6-1.1-18.5:**

**(1) is increased for a consolidated city by the amount levied in the prior calendar year for fire protection and related services by the excluded city; and**

**(2) is reduced for the excluded city by the amount levied in the prior calendar year for fire protection and related services by the excluded city.**

**(m) Whenever an excluded city consolidates its fire department into the consolidated fire department under subsection (b), for property taxes first due and payable in the calendar year following the effective date of the consolidation, the amount levied under IC 6-1.1-41 and IC 36-8-14 in the prior calendar year**

by the excluded city for its cumulative building and equipment fund for firefighting and related services is transferred to the consolidated city's cumulative building and equipment fund for firefighting and related services, and the consolidated city is exempted from the requirements of IC 6-1.1-41 and IC 36-8-14 regarding an increase to the levy for its cumulative building and equipment fund for firefighting and related services.

(n) Whenever an excluded city consolidates its fire department into the consolidated fire department under subsection (b), commencing with the calendar year following consolidation and for each year thereafter, the excluded city's monthly distributive share of county option income tax revenues distributed under IC 6-3.5-6-18.5 shall be reduced by a percentage set forth in the ordinances adopted under subsection (b), and those revenues shall instead be distributed as additional distributive shares to Indianapolis/Marion County.

(o) Whenever an excluded city consolidates its fire department into the consolidated fire department under subsection (b), the excluded city shall appoint one (1) representative to the fire department advisory commission established under IC 36-3-1-6.1, if such advisory commission is still in existence, and the legislative body of the consolidated city shall adjust the quorum requirements for the advisory commission accordingly.

Page 24, between lines 21 and 22, begin a new paragraph and insert:

**"SECTION 7. IC 36-3-6-4.1 IS ADDED TO INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 4.1. Notwithstanding IC 36-8-7, the city-county legislative body shall adopt an ordinance under section 7 of this chapter to levy a tax only within the fire special service district in the amount and at the rate necessary to produce sufficient revenue to pay the amounts required to satisfy the consolidated city's 1937 firefighters' pension fund obligations under IC 36-8-7-14."**

Page 24, delete lines 30 through 42, begin a new paragraph and insert:

**"SECTION 8. IC 36-3-7-7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) Notwithstanding any other law, the consolidated city may issue obligations to refund obligations issued before the effective date of a consolidation under IC 36-3-1-6.1, in the name of:**

- (1) a township;**
- (2) an airport authority;**
- (3) a fire protection territory; or**
- (4) a building, holding, or leasing corporation on behalf of a township, an airport authority, or a fire protection territory;**

**to satisfy the requirements of IC 36-3-1-6.1(f), IC 36-3-1-6.1(g), and IC 36-3-1-6.1(h).**

**(b) Notwithstanding any other law, the consolidated city may issue obligations to refund obligations issued before the effective date of a consolidation described in IC 36-3-1-6.3(b) by:**

- (1) an excluded city; or**
- (2) a building, holding, or leasing corporation on behalf of an excluded city;**

**to satisfy the requirements of IC 36-3-1-6.3(f), IC 36-3-1-6.3(g), and IC 36-3-1-6.3(h)."**

Delete pages 25 through 28.

Page 29, delete lines 1 through 39.

Page 31, delete lines 18 through 24.

Page 32, between lines 17 and 18, begin a new paragraph and insert:

"SECTION 9. IC 36-6-4-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 8. (a) The executive may use the township's share of state, county, and township tax revenues and federal revenue sharing funds for all categories of community services, if these funds are appropriated for these services by the township legislative body. The executive may use these funds for both operating and capital expenditures.

(b) With the consent of the township legislative body, the executive may contract with corporations for health and community services not specifically provided by another governmental entity.

(c) **Except in a township located in a county having a consolidated city**, the executive may contract with a private person to provide regular or emergency ambulance service within the township. The contract may provide for the imposition and collection of fees for this service.

(d) **Except in a township located in a county having a consolidated city**, the township legislative body may adopt a resolution to provide for the imposition and collection of fees for ambulance services provided by the township police or fire department."

Page 32, between lines 40 and 41, begin a new paragraph and insert:

"SECTION 10. IC 36-8-8-1, AS AMENDED BY P.L.227-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 1. This chapter applies to:

- (1) full-time police officers hired or rehired after April 30, 1977, in all municipalities, or who converted their benefits under IC 19-1-17.8-7 (repealed September 1, 1981);
- (2) full-time fully paid firefighters hired or rehired after April 30, 1977, or who converted their benefits under IC 19-1-36.5-7 (repealed September 1, 1981);
- (3) a police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996;
- (4) a park ranger who:
  - (A) completed at least the number of weeks of training at the Indiana law enforcement academy or a comparable law enforcement academy in another state that were required at the time the park ranger attended the Indiana law enforcement academy or the law enforcement academy in another state;
  - (B) graduated from the Indiana law enforcement academy or a comparable law enforcement academy in another state; and
  - (C) is employed by the parks department of a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);
- (5) a full-time fully paid firefighter who is covered by this chapter before the effective date of consolidation and becomes a member of the fire department of a consolidated city under IC 36-3-1-6.1 **or IC 36-3-1-6.3; provided that however**, the firefighter's service as a member of the fire department of a consolidated city is considered active service under this chapter;
- (6) except as otherwise provided, a full-time fully paid firefighter who is hired or rehired after the effective date of the consolidation by a consolidated fire department established under IC 36-3-1-6.1;
- (7) a full-time police officer who is covered by this chapter before the effective date of consolidation and becomes a member of the consolidated law enforcement department as part of the consolidation under IC 36-3-1-5.1, provided that the officer's service as a member of the consolidated law enforcement department is considered active service under this chapter; and

(8) except as otherwise provided, a full-time police officer who is hired or rehired after the effective date of the consolidation by a consolidated law enforcement department established under IC 36-3-1-5.1; except as provided by section 7 of this chapter.

SECTION 11. IC 36-8-8-2.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]:  
Sec. 2.1. (a) As used in this chapter, "local board" means the following:

(1) For a unit that established a 1925 fund for its police officers, the local board described in IC 36-8-6-2.

(2) **Except as provided in subdivision (3)**, for a unit that established a 1937 fund for its firefighters, the local board described in IC 36-8-7-3.

**(3) For a unit that established a 1937 fund for its firefighters and consolidates its fire department into the fire department of a consolidated city under IC 36-3-1-6.1 or IC 36-3-1-6.3:**

**(A) before the date the consolidation is effective, the local board described in IC 36-8-7-3; and**

**(B) on and after the date the consolidation is effective, the local board of the consolidated city established under IC 36-8-7-3.**

~~(3)~~ (4) For a consolidated city that established a 1953 fund for its police officers, the local board described in IC 36-8-7.5-2.

~~(4)~~ (5) For a unit, other than a consolidated city, that did not establish a 1925 fund for its police officers or a 1937 fund for its firefighters, the local board described in subsection (b) or (c).

(b) If a unit did not establish a 1925 fund for its police officers, a local board shall be composed in the same manner described in IC 36-8-6-2(b). However, if there is not a retired member of the department, no one shall be appointed to that position until such time as there is a retired member.

(c) **Except as provided in subsection (d)**, if a unit did not establish a 1937 fund for its firefighters, a local board shall be composed in the same manner described in IC 36-8-7-3(b). However, if there is not a retired member of the department, no one shall be appointed to that position until such time as there is a retired member.

**(d) If a unit located in a county containing a consolidated city did not establish a 1937 fund for its firefighters and consolidates its fire department into the fire department of the consolidated city under IC 36-3-1-6.1 or IC 36-3-1-6.3, the local board is:**

**(1) before the effective date of the consolidation, the local board described in IC 36-8-7-3; and**

**(2) on and after the effective date of the consolidation, the local board of the consolidated city established under IC 36-8-7-3.**

SECTION 12. IC 36-8-8-7, AS AMENDED BY P.L.227-2005, SECTION 48, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2007]: Sec. 7. (a) Except as provided in subsections (d), (e), (f), (g), (h), (k), (l), **and (m): and (n):**

(1) a police officer; or

(2) a firefighter;

who is less than thirty-six (36) years of age and who passes the baseline statewide physical and mental examinations required under section 19 of this chapter shall be a member of the 1977 fund and is not a member of the 1925 fund, the 1937 fund, or the 1953 fund.

(b) A police officer or firefighter with service before May 1, 1977, who is hired or rehired after April 30, 1977, may receive credit under this chapter for service as a police officer or firefighter prior to entry into the 1977 fund if the employer who rehires the police officer or firefighter chooses to contribute to the 1977 fund the amount necessary to amortize the police officer's or firefighter's prior service liability over a period of not more than forty

(40) years, the amount and the period to be determined by the PERF board. If the employer chooses to make the contributions, the police officer or firefighter is entitled to receive credit for the police officer's or firefighter's prior years of service without making contributions to the 1977 fund for that prior service. In no event may a police officer or firefighter receive credit for prior years of service if the police officer or firefighter is receiving a benefit or is entitled to receive a benefit in the future from any other public pension plan with respect to the prior years of service.

(c) Except as provided in section 18 of this chapter, a police officer or firefighter is entitled to credit for all years of service after April 30, 1977, with the police or fire department of an employer covered by this chapter.

(d) A police officer or firefighter with twenty (20) years of service does not become a member of the 1977 fund and is not covered by this chapter, if the police officer or firefighter:

- (1) was hired before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981); and
- (3) is rehired after April 30, 1977, by the same employer.

(e) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the police officer or firefighter:

- (1) was hired before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);
- (3) was rehired after April 30, 1977, but before February 1, 1979; and
- (4) was made, before February 1, 1979, a member of a 1925, 1937, or 1953 fund.

(f) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the police officer or firefighter:

- (1) was hired by the police or fire department of a unit before May 1, 1977;
- (2) did not convert under IC 19-1-17.8-7 or IC 19-1-36.5-7 (both of which were repealed September 1, 1981);
- (3) is rehired by the police or fire department of another unit after December 31, 1981; and
- (4) is made, by the fiscal body of the other unit after December 31, 1981, a member of a 1925, 1937, or 1953 fund of the other unit.

If the police officer or firefighter is made a member of a 1925, 1937, or 1953 fund, the police officer or firefighter is entitled to receive credit for all the police officer's or firefighter's years of service, including years before January 1, 1982.

(g) As used in this subsection, "emergency medical services" and "emergency medical technician" have the meanings set forth in IC 16-18-2-110 and IC 16-18-2-112. A firefighter who:

- (1) is employed by a unit that is participating in the 1977 fund;
- (2) was employed as an emergency medical technician by a political subdivision wholly or partially within the department's jurisdiction;
- (3) was a member of the public employees' retirement fund during the employment described in subdivision (2); and
- (4) ceased employment with the political subdivision and was hired by the unit's fire department due to the reorganization of emergency medical services within the department's jurisdiction;

shall participate in the 1977 fund. A firefighter who participates in the 1977 fund under this subsection is subject to sections 18 and 21 of this chapter.

(h) A police officer or firefighter does not become a member of the 1977 fund and is not covered by this chapter if the individual was appointed as:

- (1) a fire chief under a waiver under IC 36-8-4-6(c); or
- (2) a police chief under a waiver under IC 36-8-4-6.5(c);

unless the executive of the unit requests that the 1977 fund accept the individual in the 1977 fund and the individual previously was a member of the 1977 fund.

(i) A police matron hired or rehired after April 30, 1977, and before July 1, 1996, who is a member of a police department in a second or third class city on March 31, 1996, is a member of the 1977 fund.

(j) A park ranger who:

- (1) completed at least the number of weeks of training at the Indiana law enforcement academy or a comparable law enforcement academy in another state that were required at the time the park ranger attended the Indiana law enforcement academy or the law enforcement academy in another state;
- (2) graduated from the Indiana law enforcement academy or a comparable law enforcement academy in another state; and
- (3) is employed by the parks department of a city having a population of more than one hundred twenty thousand (120,000) but less than one hundred fifty thousand (150,000);

is a member of the fund.

(k) Notwithstanding any other provision of this chapter, a police officer or firefighter:

- (1) who is a member of the 1977 fund before a consolidation under IC 36-3-1-5.1, ~~or~~ IC 36-3-1-6.1, **or IC 36-3-1-6.3;**
- (2) whose employer is consolidated into the **consolidated law enforcement department or the** fire department of a consolidated city under IC 36-3-1-5.1, ~~or~~ IC 36-3-1-6.1, **or IC 36-3-1-6.3;** and
- (3) who, after the consolidation, becomes an employee of the consolidated law enforcement department or the consolidated fire department under IC 36-3-1-5.1, ~~or~~ IC 36-3-1-6.1, **or IC 36-3-1-6.3;**

is a member of the 1977 fund without meeting the requirements under sections 19 and 21 of this chapter.

(l) Notwithstanding any other provision of this chapter, a police officer or firefighter who:

- (1) before a consolidation under IC 36-3-1-5.1 or IC 36-3-1-6.1, provides law enforcement services or fire protection services for an entity in a consolidated city;
- (2) has the provision of those services consolidated into the **consolidated law enforcement department or the** fire department of a consolidated city **under IC 36-3-1-5.1 or IC 36-3-1-6.1;** and
- (3) after the consolidation, becomes an employee of the consolidated law enforcement department or the consolidated fire department under IC 36-3-1-5.1 or IC 36-3-1-6.1;

is a member of the 1977 fund without meeting the requirements under sections 19 and 21 of this chapter.

(m) A police officer or firefighter who is a member of the 1977 fund under subsection (k) or (l):

(1) may not be:

~~(1)~~ (A) retired for purposes of section 10 of this chapter; or

~~(2)~~ (B) disabled for purposes of section 12 of this chapter;

solely because of a change in employer under the consolidation; **and**

**(2) shall receive credit for all years of service as a member of the 1977 fund before the consolidation described in subsection (k) or (l).**

Page 33, delete lines 1 through 11.

Page 35, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 13. IC 36-8-4.3 IS REPEALED [EFFECTIVE JANUARY 1, 2007].

SECTION 14. [EFFECTIVE JULY 1, 2006] **The general assembly finds the following:**

**(1) A consolidated city faces unique budget challenges due to a high demand for services combined with the large number of tax exempt properties located in a consolidated city as the seat of state government, home to several institutions of higher education, and home to numerous national, state, and regional nonprofit corporations.**

**(2) By virtue of its size and population density, a consolidated city has unique overlapping territories of county, city, and township government and an absence of unincorporated areas within its county.**

**(3) By virtue of its size, population, and absence of unincorporated areas, development extends to and across the boundaries of the contiguous governmental territories located within a county having a consolidated city, thus giving less meaning to boundaries of the governmental territories located within the county.**

**(4) By virtue of its size, population, absence of unincorporated areas, overlapping territories, and development to and across the boundaries of contiguous governmental territories, there is less need for differentiation of local governmental services within the separate governmental territories located within a county having a consolidated city, but rather the local governmental service needs are similar and more uniform within and across a county having a consolidated city.**

**(5) The provision of local governmental services by multiple governmental entities with overlapping territories, and by governmental entities with contiguous territories with less meaningful boundaries, results in disparate levels of local government services within a county having a consolidated city and results in the inefficient and poor use of taxpayer dollars.**

**(6) As the state capital and a center for professional sporting events, tourism, and culture in central Indiana, the consolidated city faces unique demands for protecting governmental property and securing the safety of large numbers of residents and visitors, which require innovative approaches to public safety resources.**

**(7) Substantial operational efficiencies, reduction of administrative costs, and economies of scale may be obtained in a consolidated city through further consolidation of county, city, and township services and operations.**

**(8) Consolidation of county, city, and township services and operations in the consolidated city will serve the public purpose by allowing the consolidated city to:**

**(A) eliminate duplicative services;**

**(B) provide better coordinated and more uniform delivery of local governmental services;**

**(C) provide uniform oversight and accountability for the budgets for local governmental services;**

**(D) simplify the system of property taxation;**

**(E) provide more unified tax rates; and**

**(F) allow local government services to be provided more efficiently and at a lower cost than without consolidation.**

**(9) Efficient and fiscally responsible operation of local government benefits the health and welfare of the citizens of a consolidated city and is of public utility and benefit.**



**(10) The public purpose of this act is to provide a consolidated city with the means to perform essential governmental services for its citizens in an effective, efficient, and fiscally responsible manner."**

**SECTION 15. [EFFECTIVE JULY 1, 2006] The legislative services agency shall prepare legislation for introduction in the 2007 regular session of the general assembly to organize and correct statutes affected by this act, if necessary."**

Renumber all SECTIONS consecutively.

(Reference is to SB 1 as amended January 27, 2006.)